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White House Contra Plan May Predate Aid Cutoff

Theory Becomes Foundation of Hill Probes

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House and Senate investigators are pursuing a theory that the Reagan administration, anticipating the 1984 congressional vote cutting off aid to the Nicaraguan rebels, secretly began to organize a private support network for the contras in late 1983 that was directed by the White House, according to congressional sources.

Under the theory being explored by the House and Senate select committees investigating the Iran-contra affair, the National Security Council (NSC) staff that ran the covert contra military resupply operation later became available to handle other sensitive activities, including the clandestine Iran arms sales in 1985 and 1986, sources said.

In an unusual move, the committees last week voted to give limited immunity to the former Central Intelligence Agency station chief in Costa Rica, who uses the pseudonym Thomas Castillo. He was one of six individuals who has received grants of limited immunity from the committee in return for their testimony.

Castillo was recalled from his post last December and placed on administrative leave early this year after CIA acting director Robert M. Gates found he had given assistance to the contras at the direction of then-NSC aide Oliver L. North and later misled the CIA's inspector general about his activities.

The CIA plans to take no further action against Castillo until after the congressional hearings.

The first phase of the committees' public hearings, which are to begin May 5, will be used to develop the investigators' theory using witnesses from the CIA, State Department and the NSC. Those witnesses are expected to lay out details of the contra operation both before and after Congress approved

the Boland Amendment in October 1984. That amendment barred the government from providing military assistance to the contras.

"The White House in 1983 saw something like a cutoff coming and began to see how they could keep the contras going if Congress did not supply the money," one panel source said. That year, the House, which had been critical of CIA support for the contras, voted in July

and October to cut off all aid to the contras. In December, the administration had to settle for a \$24 million limit on funds to support military operations in Nicaragua.

In 1984, after Congress discovered the previously secret CIA mining in mid-1983 of Nicaraguan harbors, "it was reasonable to assume Congress would shut them down and they already had begun to prepare for it," the source said.

Material being gathered by the committees shows that after the Boland Amendment, "things went underground . . . and privatization began but the groundwork had already been laid."

The committees, which last week announced they will operate jointly, have also adopted an unusual plan to present the results of their investigation. The plan calls for rotating the responsibility for leading the questioning of witnesses among teams composed of the committee members and staff counsels. Such an approach will guarantee each legislator a moment in the television spotlight, attempt to prevent repetitive interrogations and thus limit the time needed for each witness.

The plan was developed by the committee counsels, approved by the chairmen, Rep. Lee H. Hamilton (D-Ind.) and Sen. Daniel K. Inouye (D-Hawaii), and discussed with committee members last week, sources said.

The initial questioning of each witness will be handled by teams of six people: a Democrat and a Republican from each chamber, plus a counsel from each committee.

After those six have concluded making a record with each witness, the other 22 members of the two committees will be given the opportunity to ask questions.

Inouye and Hamilton are looking at ways to limit these supplementary questions, most likely by establishing a five-minute rule practiced by many House committees. But a more controversial approach of limiting the number of witnesses a member can question is being discussed.

The panels expect to hold four days of hearings each week and rotate weekly between a Senate and House committee room. The Senate sessions will be held in the Caucus Room of the Russell Building, site of the Watergate hearings. The House panel looked at using its Judiciary Committee hearing room in the Rayburn Building, where the 1974 Nixon impeachment hearings were held, but determined it was too small for the expected crowd.

Among those expected to be called during the first weeks are former national security adviser Robert C. McFarlane and NSC aides who dealt with Central America; former assistant secretary of state for inter-American affairs Langhorne A. (Tony) Motley; the CIA's Duane (Dewey) Clarridge, who put together and directed the contra operation for the agency from 1981 through 1983; and Fawn Hall, secretary to North, the director of operations from the White House.

Retired Air Force major general Richard V. Secord, who retired from the Pentagon in mid-1983 and later was a key participant in both the contra resupply effort and the

Iran arms sales, is the only witness the committee plans to call during its initial phase who has not agreed to testify voluntarily or been promised limited immunity, congressional sources said.

Second last year invoked his Fifth Amendment right against self-incrimination when called before the House and Senate intelligence committees. Last month he refused to sign a waiver that would have opened the way for Senate investigators to look into secret bank accounts in Switzerland and the Cayman Islands. On Thursday, the Senate cited him for contempt of Congress.

The accounts were used in the financing of both the contras and Iran arms transfers. They may also help answer questions about the alleged diversion of Iran funds to aid the contras.

Under the congressional investigators' plans, North and his former boss, Rear Adm. John M. Poindexter, who resigned as Reagan's national security adviser as a result of the Iran-contra affair, will not be questioned in public until the Iran

initiative is taken up during the second phase of hearings.

Under an agreement with independent counsel Lawrence E. Walsh, the congressional investigators will not hold closed interviews with Poindexter until after May 2 and then just to determine exactly where his testimony will fit in their unfolding retelling of the story, sources said.

The committees are much farther along in their investigations and planning of the public hearings than generally known, sources said. For example, preliminary witness lists for the entire set of public hearings have been developed. And the two chief counsels, John Nields Jr. of the House panel and Arthur Liman of the Senate, are at work dividing responsibility for questioning individuals.

The events will be explored chronologically, beginning with the contra operations, followed by the Iran arms sales and concluding with assessment of responsibility. Under this approach, several witnesses will appear more than once, sources said. McFarlane, for example, will probably be called for three appearances, and Cabinet members such as Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger will testify both in the Iran phase and later when the panels turn to determining where the system failed.